Financial Statement
1999-2000

Saskatchewan Indian Institute of Technologies

101-01944/

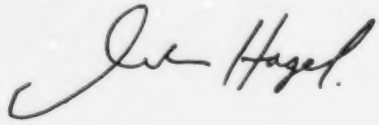
Letter of Transmittal

The Honourable Dr. Lynda M Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the Saskatchewan Indian Institute of Technologies for the year ending June 30, 2000.

Respectfully submitted,



Glenn Hagel
Minister of Post-Secondary Education and Skills Training

KPMG

Financial Statements of

SASKATCHEWAN INDIAN REGIONAL COLLEGE

(Operating as the Saskatchewan Indian Institute of Technologies)

Year ended June 30, 2000

KPMG LLP
Chartered Accountants
600 - 128 Fourth Avenue South
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AUDITORS' REPORT TO THE BOARD OF GOVERNORS

We have audited the statement of financial position of Saskatchewan Indian Regional College (Operating as the Saskatchewan Indian Institute of Technologies) as at June 30, 2000 and the statements of operations, changes in net assets and cash flows for the year then ended. The college is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the college as at June 30, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Saskatoon, Saskatchewan

October 3, 2000

KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association.

SASKATCHEWAN INDIAN REGIONAL COLLEGE

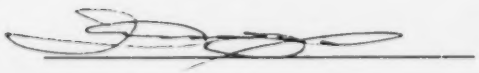
Statement of Financial Position

June 30, 2000, with comparative figures for 1999

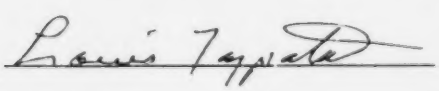
	2000	1999
Assets		
Current assets:		
Cash	$ 237,238	$ 2,444,026
Accounts receivable (note 4)	1,050,596	630,239
Prepaid expenses	113,084	27,358
Inventory	6,459	–
	1,407,377	3,101,623
Investment in Clarica Life Insurance Company	98,532	–
Deposit on building purchase	–	350,000
Capital assets (schedule 1)	4,749,025	882,049
	$ 6,254,934	$ 4,333,672
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	$ 1,361,788	$ 1,024,610
Deferred revenue (note 6)	1,439,573	2,250,104
Current portion of obligation under capital lease (note 7)	146,910	201,200
Agreement for sale (note 8)	2,581,470	–
	5,529,741	3,475,914
Obligation under capital lease (note 7)	176,557	60,391
Deferred contributions (note 9)	24,576	30,720
Net assets:		
Net assets invested in capital assets (note 10)	1,400,982	589,738
Net assets internally restricted (note 11)	48,556	50,829
Unrestricted net assets	(925,478)	126,080
	524,060	766,647
Commitments (note 12)		
	$ 6,254,934	$ 4,333,672

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Statement of Operations

Year ended June 30, 2000, with comparative figures for 1999

	2000	1999
Revenue (schedule 2):		
Institutional programs and operations	$ 8,318,183	$ 6,675,087
Contract training	1,801,060	819,190
Contract projects	1,381,976	1,278,426
Other	110,622	52,600
	11,611,841	8,825,303
Expenditures (schedule 3):		
Institutional operations	1,958,481	1,324,965
Institutional programs	6,363,696	5,424,291
Contract training	1,829,345	825,671
Contract projects	1,447,471	1,356,734
SIIT building	255,435	–
	11,854,428	8,931,661
Deficiency of revenue over expenditures	$ (242,587)	$ (106,358)

See accompanying notes to financial statements.

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Statement of Changes in Net Assets

Year ended June 30, 2000, with comparative figures for 1999

	Invested in capital assets	Internally Restricted	Unrestricted	2000 Total	1999 Total
Balance, beginning of year	$ 589,738	$ 50,829	$ 126,080	$ 766,647	$ 873,005
Excess (deficiency) of revenue over expenditures	(576,111)	–	333,524	(242,587)	(106,358)
Internally imposed restrictions (note 11)	–	(2,273)	2,273	–	–
Investment in capital assets	1,387,355	–	(1,387,355)	–	–
Balance, end of year	$ 1,400,982	$ 48,556	$ (925,478)	$ 524,060	$ 766,647

See accompanying notes to financial statements.

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Statement of Cash Flows

Year ended June 30, 2000, with comparative figures for 1999

	2000	1999
Cash flows from (used in):		
Operations:		
Deficiency of revenue over expenditures	$ (242,587)	$ (106,358)
Items not involving cash:		
Amortization	582,255	373,312
Amortization of deferred contributions	(6,144)	(7,680)
Investment in Clarica Life Insurance Company	(98,532)	–
Change in non-cash operating working capital:		
Accounts receivable	(420,357)	222,536
Prepaid expenses	(85,726)	23,008
Inventory	(6,459)	–
Accounts payable and accrued liabilities	337,178	(157,838)
Deferred revenue	(810,531)	1,863,527
	(750,903)	2,210,507
Financing:		
Obligation under capital lease	61,876	(98,632)
Agreement for sale	2,850,000	–
Payments under agreement for sale	(268,530)	–
	2,643,346	(98,632)
Investments:		
Purchase of capital assets	(3,779,363)	(74,689)
Proceeds on disposal of capital assets	–	8,575
Deposit on building purchase	–	(350,000)
Acquisition of capital leases	(319,868)	(106,932)
	(4,099,231)	(523,046)
Increase (decrease) in cash	(2,206,788)	1,588,829
Cash, beginning of year	2,444,026	855,197
Cash, end of year	$ 237,238	$ 2,444,026

See accompanying notes to financial statements.

1. **Purpose of the organization:**

The Saskatchewan Indian Regional College (the "College"), operating as the Saskatchewan Indian Institute of Technologies, provides academic and career education and training to First Nations adults in Saskatchewan. It is mandated under the Saskatchewan Indian Institute of Technologies Act of the Federation of Saskatchewan Indian Nations Legislative Assembly and the Regional Colleges Act of the Province of Saskatchewan.

Effective July 1, 2000, the College will be governed by the Saskatchewan Indian Institute of Technologies Act of the Federation of Saskatchewan Indian Nations Legislative Assembly and the Saskatchewan Indian Institute of Technologies Act of the Province of Saskatchewan.

2. **Accounting principles and policies:**

The College's financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following significant policies:

(a) Use of estimates:

Preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions regarding the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures for the year. Actual results may differ from these estimates.

(b) Revenue recognition:

The College follows the deferral method of accounting for revenue. Funding for operational and program expenditures of future periods are deferred and recognized as revenue in the year in which the related expenditure is incurred. Funding designated for capital assets and projects is deferred and recognized as revenue on the same basis as the acquired capital assets are amortized.

Revenue from contractual training and projects is recognized as the service is delivered.

Revenue from tuition and fees is recognized as the course instruction is delivered.

(c) Capital assets and amortization:

Capital assets are recorded at cost. The net assets invested in capital assets represents the cumulative cost of assets, less accumulated amortization and financing.

Amortization is provided to charge the cost of capital assets to operations over their estimated useful lives and is calculated using the following methods and rates:

Assets (schedule 1)	Amortization method	Rate / Term
Building	Straight – line	20 years
Automotive equipment	Declining balance	30%
Office furniture and equipment	Declining balance	20%
Course equipment	Declining balance	20%
Leasehold improvements	Declining balance	20%
Computer software	Straight - line	2 years

3. Related party transactions:

The following are related parties of Saskatchewan Indian Regional College because they are First Nations entities:

- Federation of Saskatchewan Indians, Inc. ("FSIN")
- Saskatchewan Indian Training Assessment Group Inc. ("SITAG")
- Saskatchewan Indian Gaming Authority ("SIGA")
- Saskatchewan First Nations and Tribal Councils
- Saskatchewan Indian Cultural Centre ("SICC")
- Saskatchewan Indian Federated College ("SIFC")

Saskatchewan Institute of Applied Science and Technology ("SIAST") and Sask Tel are related parties of Saskatchewan Indian Regional College as the members of the Board of Directors for each of the organizations are appointed by the Lieutenant Governor in Council for the Province of Saskatchewan.

Amounts payable to or receivable from related parties are separately disclosed in the financial statements. Other significant transactions with related parties during the year were primarily for program expenditures and class rental with total expenditures as follows:

	2000	1999
Saskatchewan First Nations and Tribal Councils	$ 945,540	$ 1,194,769
SIAST	129,071	182,778
FSIN	186,171	69,573
SIFC	–	400

Revenues received from related parties were primarily for program purchases and tuition with total revenue as follows:

	2000	1999
SITAG	$ 5,548,061	$ 4,338,625
Saskatchewan First Nations and Tribal Councils	1,775,418	973,303
Sask Tel	177,032	280,156
Post Secondary Education and Skills Training - Province of Saskatchewan	219,563	173,333
FSIN	74,433	71,443
SIGA	–	31,078

4. Accounts receivable:

	2000	1999
External:		
Health and Welfare Canada	$ 107,625	$ 3,395
Goods and services tax	51,122	57,796
Trade	36,170	21,754
Staff/board advances	7,553	11,176
Human Resources Development Canada	–	2,428
Solicitor General	6,546	–
Canada Mortgage and Housing	2,300	–
Related parties:		
SITAG	472,179	318,932
First Nations and Tribal Councils	270,647	72,062
FSIN	50,867	69,729
Post Secondary Education and Skills Training - Province of Saskatchewan	25,979	31,415
Sask Tel	13,050	32,981
SIGA	5,773	8,071
SIAST	700	–
SICC	85	500
	1,050,596	630,239
Less: allowance for doubtful accounts	–	–
	$ 1,050,596	$ 630,239

5. Accounts payable and accrued liabilities:

	2000	1999
External:		
Trade payables and accrued liabilities	$ 969,313	$ 579,778
Province of Saskatchewan	–	2,870
Related parties:		
First Nations and Tribal Councils	369,474	400,154
SITAG	9,951	–
SIAST	5,830	2,560
Sask Tel	3,453	13,875
Post Secondary Education and Skills Training – Province of Saskatchewan	2,185	–
FSIN	1,007	25,373
SICC	500	–
SIFC	75	–
	$ 1,361,788	$ 1,024,610

6. Deferred revenue:

The following program revenues are to be applied against program expenditures to be made subsequent to June 30, 2000:

	2000	1999
Aboriginal Employment Development (Human Resources Development Canada)	$ 1,030,235	$ 1,646,083
Operational funding (Indian and Northern Affairs Canada)	120,000	120,000
Accreditation Project (Human Resources Development Canada)	–	123,812
Homelessness Project (SITAG)	111,752	–
Construction Career Services (Saskatchewan Post-Secondary Education and Skills Training – Province of Saskatchewan)	78,071	–
Firefighter Training (Indian and Northern Affairs Canada)	28,632	20,995
Scholarship Funding:		
Fundraising - scholarships	20,372	13,342
Event registrations	7,550	13,900
Sask Tel	–	1,500
Basic Carpentry (Yellow Quill First Nation)	18,933	–
Adult Basic Education Programs:		
Tuition and book fees	17,466	–
Peepeekisis First Nation	6,562	–
Capacity Building Project (Human Resources Development Canada)	–	234,762
Pre-Transfer Health (Medical Services Branch)	–	27,673
Orientation to Day Care (FSIN)	–	16,848
NNADAP (Medical Services Branch)	–	11,501
Health Sciences (Peter Ballantyne Cree Nation)	–	8,666
Fundraising - Campus Building	–	6,296
Management Training (Regina Urban)	–	3,346
Electronics (Sask Tel)	–	1,300
Life Skills - Yorkton Tribal Council	–	80
	$ 1,439,573	$ 2,250,104

7. Obligation under capital leases:

	2000	1999
Obligation under capital leases, beginning of year	$ 261,591	$ 360,223
Additions during the year	319,868	106,932
Repayments during the year	(257,992)	(205,564)
Obligation under capital leases, end of year	323,467	261,591
Less current portion	146,910	201,200
	$ 176,557	$ 60,391

Minimum lease payments under the capital leases are as follows:

2001	$ 160,880
2002	139,580
2003	52,240
2004	4,230
Total minimum lease payments	356,930
Less amount representing future interest	33,463
Net obligation under capital leases	$ 323,467

Interest rates on the leases range from 6.75% to 14.5%. Interest expensed during the year amounted to $29,518 (1999 - $22,794).

8. Agreement for Sale:

Effective July 1, 1999 the College purchased the Churchill Building on 4th Avenue South in Saskatoon for $3,200,000. Monthly payments of $40,000 are being made until June 30, 2001 at which time the College plans to refinance the remaining debt.

	2000	1999
Interest at 7.75%, repayable in monthly installments of $40,000. Due June 30, 2001	$ 2,581,470	$ –
Current portion of agreement for sale	2,581,470	–
	$ –	$ –

9. Deferred contributions:

Deferred contributions represent amounts received from Aboriginal Business Canada relating to capital asset acquisitions for the Call Centre. These amounts are being recognized as revenue on the same basis as the related assets are being amortized as set out in note 2.

10. Net assets invested in capital assets:

Net assets invested in capital assets is comprised of:

	2000	1999
Net book value of capital assets	$ 4,749,025	$ 882,049
Purchase of capital assets financed by:		
Deferred contributions	(24,576)	(30,720)
Obligations under capital leases	(323,467)	(261,591)
Agreement for sale	(2,581,470)	–
Due from unrestricted net assets	(418,530)	–
Net assets invested in capital assets	$ 1,400,982	$ 589,738

11. Net assets internally restricted:

	2000	1999
Net assets internally restricted, start of year	$ 50,829	$ 96,203
Current year expenditures on:		
Legal fees	(273)	(18,625)
Campus facility design and development	(2,000)	(26,749)
Net assets invested in capital assets	$ 48,556	$ 50,829

12. Commitments:

The College has commitments under operating leases over the next four years as follows:

2001	$ 186,078
2002	130,091
2003	110,878
2004	6,838
	$ 433,885

13. Budgeted figures:

Approved budgeted revenue and expenditures for the current fiscal year are as follows:

Revenue:	
Institutional programs and operations	$ 7,578,180
Contract training	1,503,000
Contract projects	1,070,000
	10,151,180
Expenditures:	
Institutional operations	1,480,150
Institutional programs	6,327,071
Contract training	1,503,000
Contract projects	1,070,000
	10,380,221
Budgeted excess of expenditures over revenue	$ (229,041)

14. Pension Plan:

The College has a defined contribution pension plan for the benefit of its employees. Membership in the plan is mandatory for eligible employees and employee contributions are matched equally by the College up to 7.5% of salary. The College's contribution to the plan was $246,892 in 2000 (1999 - $183,598). Annual contributions by the College are recorded as expenditures in the statement of operations.

15. Comparative figures

Certain of the prior year's figures used for comparative purposes have been reclassified to conform to the current year's presentation.

Schedule 1

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Capital Assets

June 30, 2000, with comparative figures for 1999

	2000			1999		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Building	$ 3,499,394	$ 174,970	$ 3,324,424	$ –	$ –	$ –
Office furniture	235,996	187,437	48,559	226,672	175,297	51,375
Office equipment	378,487	279,668	98,819	370,392	254,963	115,429
Automotive equipment	104,668	90,422	14,246	104,668	84,317	20,351
Course equipment	1,373,582	1,083,432	290,150	1,327,223	1,010,895	316,328
Computer software	123,891	118,560	5,331	113,229	108,261	4,968
Leasehold improvements	321,050	227,021	94,029	315,521	203,514	112,007
Assets under capital lease	989,875	666,408	323,467	670,007	408,416	261,591
Land	550,000	–	550,000	–	–	–
	$ 7,576,943	$ 2,827,918	$ 4,749,025	$ 3,127,712	$ 2,245,663	$ 882,049

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Revenue

Year ended June 30, 2000, with comparative figures for 1999

	2000	1999
Institutional programs and operations:		
SITAG	$ 4,606,302	$ 3,812,641
Indian and Northern Affairs Canada	1,440,000	1,440,000
First Nations and Tribal Councils:		
Tuition fees	839,623	599,032
Direct purchases	612,644	225,184
Purchases under Aboriginal Human Resource Development Agreement	323,151	149,087
Province of Saskatchewan Construction Project	203,165	170,911
Tuition fees - unrelated	186,714	122,566
Saskatoon Public School Division	50,186	–
Congress of Aboriginal Peoples	40,000	–
Tuition fees – province	16,398	–
Human Resources Development Canada	–	43,285
Electronics Program:		
Sask Tel	–	35,000
Wascana	–	22,600
SIGA	–	28,000
FSIN	–	26,781
	$ 8,318,183	$ 6,675,087
Contract training:		
Certificate in Aboriginal Employment Development	$ 995,092	$ 47,717
National Native Alcohol and Drug Abuse Program	607,664	601,998
Firefighter Training	92,363	88,093
Community Health Representative Training	82,495	68,630
Life Skills Coach	7,800	–
Skills for Action	6,800	–
Human Resource Management Training	6,546	–
Canada Mortgage Housing Corporation – Housing Management	2,300	–
Electronics Program	–	12,752
	$ 1,801,060	$ 819,190

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Revenue - Continued

Year ended June 30, 2000, with comparative figures for 1999

	2000	1999
Contract projects:		
SITAG		
Regional Co-ordination-Aboriginal Human Resource Development Agreement	$ 471,168	$ 450,578
Research and Innovation Project	236,173	–
Homelessness Project	212,618	–
Disabilities Project	21,800	–
SIIT Call Centre Project	234,990	266,745
MSB Pre-transfer Health Project	78,115	6,077
Aboriginal Employment Development		
Development Project	–	311,637
Accreditation Project	34,212	16,188
FSIN		
Aboriginal Head Start	33,592	42,416
Home Health Aide/Long-Term Care Aide	25,000	–
Day Care Licensing and Orientation	15,841	31,496
Income Security Demo Project	18,467	–
Youth Co-ordination Project	–	67,404
Labor Market Information Systems Project		
Metis Employment and Training	–	57,144
Wide Area Network	–	5,000
Disabilities Program Planning	–	10,000
Provincial Training Strategy	–	7,100
SIIT Campus Fundraising	–	4,841
ABE Multi-media Project	–	1,800
	$ 1,381,976	$ 1,278,426
Other:		
Gain on demutualization of insurance company	$ 98,532	$ –
Interest	9,782	51,801
Miscellaneous	2,308	799
	$ 110,622	$ 52,600

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Expenditures by Function

Year ended June 30, 2000, with comparative figures for 1999

	2000	1999
Institutional operations:		
Institutional support	$ 1,277,276	$ 760,069
Operations and maintenance	809,578	535,690
Amortization of capital assets	121,249	103,235
Board	111,406	137,347
Cost recoveries	(361,028)	(211,376)
	$ 1,958,481	$ 1,324,965
Institutional programs:		
Diploma programs	$ 3,272,406	$ 3,261,086
Certificate and applied certificate programs	1,430,594	472,231
Program planning, development and coordination	1,100,627	1,197,828
Academic preparation programs	658,195	463,599
Other career programs	358,750	393,313
Amortization of capital assets	200,374	185,856
Cost recoveries	(657,250)	(549,622)
	$ 6,363,696	$ 5,424,291
Contract training:		
National Native Alcohol and Drug Abuse Program	$ 607,664	$ 601,998
Certificate in Aboriginal Employment Development	1,015,791	47,717
Firefighter Training	92,363	86,666
Community Health Representative Training	82,495	68,630
Life Skills Coach	7,800	–
Amortization of capital assets	7,254	7,908
Skills for Action	6,800	–
Human Resource Officer Orientation	6,546	–
Canadian Mortgage Housing Corporation - Program Manager	2,632	–
Electronics Program	–	12,752
	$ 1,829,345	$ 825,671

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Expenditures by Function - Continued

Year ended June 30, 2000, with comparative figures for 1999

	2000	1999
Contract projects:		
SITAG		
Regional Co-ordination-Aboriginal Human Resource Development Agreement	$ 424,536	$ 430,919
Research and Innovation Project	236,173	–
Homelessness Project	212,618	–
Disabilities Project	21,800	–
SIIT Call Centre Project	267,740	255,001
Amortization of capital assets	78,408	76,313
MSB Pre-transfer Health Project	78,115	6,077
Aboriginal Employment Development		
Development Project	–	306,967
Accreditation Project	34,212	16,188
FSIN		
Aboriginal Head Start	33,592	42,416
Home Health Aide/Long-Term Care Aide	25,000	–
Day Care Licensing and Distribution	15,840	31,496
Income Security Demo Project	17,163	–
SIIT Campus Development	2,000	26,749
Legal costs	274	18,625
Youth Co-ordination Project	–	67,404
Labor Market Information Systems Project:		
Metis Employment and Training	–	57,144
Wide Area Network	–	5,000
Disabilities Program Planning	–	9,540
SIIT Campus Fundraising	–	4,841
ABE Multi-media Project	–	2,054
	$ 1,447,471	$ 1,356,734
SIIT Building:		
Operating costs	$ 353,057	$ –
Loan interest	211,470	–
Amortization of capital assets	174,970	–
Cost recoveries	(484,062)	–
	$ 255,435	$ –

SASKATCHEWAN INDIAN REGIONAL COLLEGE

Expenditures by Object

Year ended June 30, 2000, with comparative figures for 1999

	2000	1999
Salaries	$ 4,989,567	$ 4,352,572
Contractual services	2,277,707	1,300,338
Facilities rent	882,744	623,025
Employee benefits	785,214	598,926
Travel and sustenance	637,563	600,090
Coordination charges	351,305	168,737
Supplies	305,594	215,499
Reference materials	271,438	143,877
Telephone	218,245	162,170
Bank charges and interest	216,985	5,402
Trainee travel and sustenance	206,172	201,119
Administration charges	184,017	155,908
Furniture and major tools	162,433	5,802
Utilities	138,047	11,998
Resource persons	114,025	105,099
Property taxes	104,887	–
Vehicle and equipment rentals	96,684	123,455
Photocopying	93,188	70,260
Printing and binding	91,815	34,308
Janitorial	77,177	26,403
Maintenance	66,983	15,637
Miscellaneous	49,656	68,498
Registration	48,045	–
Courier	43,074	20,304
Board honoraria	41,531	53,654
Insurance	38,385	19,259
Advertising	38,223	55,421
Human Resources charges	38,110	–
Graduation	36,907	19,695
Audit and accounting fees	28,132	31,900
Training-staff	22,233	21,363
Training-students	21,650	11,701
Board travel	14,893	23,199
Scholarships	14,500	–
Casual	14,186	7,016
Legal fees	10,132	23,136
Postage	10,062	9,286
Memberships	9,385	6,778
Goods and services tax	7,089	9,098
Subscriptions	4,950	2,653
Business development	4,228	359
Equipment	3,973	2,491
Repairs	3,379	5,154
Bad debts	–	7,757
Total expense before recoveries and amortization	12,774,513	9,319,347
Amortization	582,255	373,312
Less Recoveries	(1,502,340)	(760,998)
	$11,854,428	$ 8,931,661